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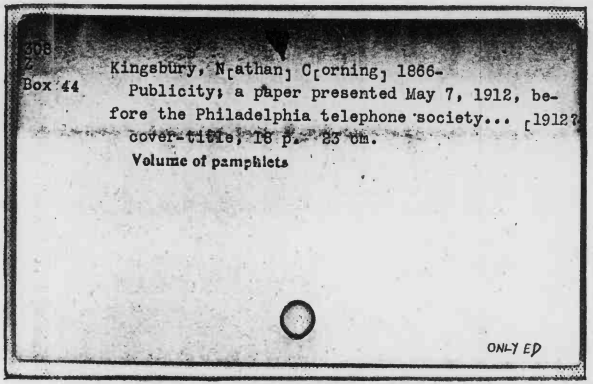

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Publicity

A Paper Presented May 7, 1912, before The Philadelphia Telephone Society

By Mr. N. C. Kingsbury,

Vice-President American Telephone & Telegraph Company

Sent Out with the Compliments of George H. Paine, Philadelphia, Pa.

PUBLICITY.

A Paper Presented May 7 before The Philadelphia Telephone Society.

By N. C. KINGSBURY,

Vice-President American Telephone & Telegraph Company.

The American Encyclopedic Dictionary gives the following definition of the word "publicity": "The quality or state of being public, or known to the people at large; notoriety."

In my opinion this definition is strikingly inadequate, and does not at all represent the concept which the word should carry.

It is well that we have a mutual understanding of the meaning of the word "publicity." To my mind the general idea of publicity is a very broad one. It is not confined to its relations to humanity, but has many manifestations in the whole realm of nature.

The brilliant-colored corolla of the flower, the attractive plume of the grass, the plumage of the bird, and a thousand other natural objects, are as truly forms of publicity as the Wanamaker pages in our daily papers.

Consider a moment, if you will, the function of the brilliant-colored corolla of entomophilous flowers; unless this flower succeeds in attracting the insect in its search for pollen and honey, so that the pollen is carried from flower to flower, in one generation all of the species of entomophilous plants would become extinct. And, as another illustration, it is interesting to note that many flowers are so small and insignificant by themselves that the smallest insect might not condescend to notice them, and would pass them by, to their utter extinction. But what do these minute flowers do in order to publish their existence to the passing insect? They group themselves together at a single point, instead of being widely distributed over the entire plant. Thus the collection of minute blossoms which forms, for instance, the thistle, is enabled to make a brave show; and it seems clear to me a method of publicity is employed in so doing.

It is, of course, quite impossible in the time allotted to this discussion to consider even in a casual way the great general subject of publicity, and we must, therefore, confine our thought to that branch of the general subject which has to do with mankind.

In its narrower aspect, then, the purpose of publicity is to influence the human mind. The aim may not be to influence another to perform some particular act,—it may be directed to influence minds in their attitude toward some object or condition.

History.

With this general idea of the definition of publicity, let us glance for a moment at its history in human affairs.

Recorded history does not go back to the time when primitive forms of publicity were not employed. And it is highly probable that at the very dawn of concerted human activity, when tribal relations were formed and men began to live in communities, they found it expedient and necessary to set forth to their fellows their skill, their prowess and whatever else they had of interest or necessity to the community.

It is known that certain codes of laws were carved on stone in hieroglyphics centuries before the alphabet was developed. The ancient kings of Egypt covered literally acres of stone with inscriptions setting forth their virtues, conquests, laws, etc. Aristotle, Lucian, Aristophanes and many others of the ancient Greeks refer to influences directly exercised by primitive means of publicity.

Public notices were posted by the children of Israel in their earliest days. The sayings of the prophets and the commands of kings were inscribed on parchments and posted where they could best be seen in the cities and villages. The poems of Homer and the ancient laws and homilies of other Greeks were doubtless given from one generation to another by word of mouth long before men wrote or Greek history gave us any authentic date.

The Hebrews employed public criers and the Greeks had an official of some considerable importance, called by them the *χήρυε*, a part of whose duties it was to make important announcements to the public. The Romans advertised also by criers, hawkers and by writing. They employed handbills, which they called *libelli*, for announcing many things, and both the Greeks and Romans had on their houses a piece of whitened wall, which the Romans called by our familiar word "album." These albums were placed on the houses to receive inscriptions relative to the affairs of the families who dwelt therein, and relative to public affairs.

The ruins of Pompeii and Herculaneum have preserved for our eyes many forms of publicity. The openings of baths, the battles of gladiators, athletic games and various other attractions were announced, sometimes by crude paintings on walls, sometimes by terra cotta relief work and sometimes by announcements merely scratched by a hard instrument on a yielding surface. Street signs seem to have been used to a large extent by the Romans, and the use of such publicity gradually developed and came to be an important factor in the social, business and public life of the empire.

In a classic legend by Apuleius we find a record of what may have been the very beginning of publicity, through a public crier.

Psyche was absconded, and Venus was bound and determined to get her back home. She therefore called Mercury, the messenger of the gods, and requested him to proclaim Psyche in public, to describe her, and to offer a reward to whomsoever should find her. Mercury descended to earth and went up and down among the nations, where he announced publicly the loss of Psyche in the following appropriate language:

"If anyone can seize her in her flight and bring her back a fugitive daughter of a king, a handmaid of Venus, by name Psyche, or discover where she has concealed herself, let such person repair to Mercury, the crier, behind the boundaries of Murtia, and receive by way of reward for the discovery seven sweet kisses from Venus herself, and one exquisitely delicious touch of her charming tongue."

Immediately succeeding the fall of the Roman Empire and the westward rush of barbarians, the means of publicity seem to have shrunk to the most elementary methods. The great mass of the people, after the fall of the Roman Empire, knew nothing of letters or culture of any sort. Settlements were few and far between; there were few roads worthy of the name. The pedler who carried wares for sale in his pack also carried news from place to place, and, considering the paucity of all means of intercommunication, we can well imagine how his appearance was welcomed.

From the itinerant pedler the crier again evolved, and for centuries the public crier was about the only medium of obtaining publicity. The knowledge of laws and of court decisions was disseminated by means of these criers.

The medieval crier carried a horn, with which he attracted the people's attention before making a publication. He was subject to rather strict rules and regulations as to just what he could cry, how it should be cried, where, and also as to his compensation. If we go back to the Assizes of Jerusalem we shall find the most ancient forms of our modern institutions. I quote from this ancient document concerning the public crier:

"Whosoever desires to sell anything by auction must have it proclaimed by the crier, who is appointed by the lord viscount; and nobody else has a right to make any publication by crying. If anybody causes any such auction to be proclaimed by any other than the public crier, then the lord has a right by assize and custom to claim the property so cried as his own, and the crier shall be at the mercy of the lord. And whosoever causes anything

to be cried by the appointed public crier in any other way than it ought to be cried, and in any other way than is done by the lord or his representative, the lord may claim the property as his own, and the crier who thus cries it shall be amenable for falsehood and is at the mercy of the lord, who may take from him all he possesses."

Besides the public crier there developed during the Middle Ages two other forms of publicity which were unique and interesting.

Heraldry, doubtless, had its beginnings at a very early period in history. It had been gradually developed and became a very important, if not, indeed, the most important, method of publishing certain facts during the Middle Ages.

If a ruler had honored his subordinate, that fact was sure to be evidenced by some visible mark, device or color, and this distinction was published and handed down through the generations by a remarkable and complex system of heraldic devices.

When we consider that the nobles and more distinguished citizens were continually exhibiting these marks of distinction on their coats-of-arms, it is easy to understand that the butcher, the baker and the candlestick maker should also wish to exhibit in some fashion their more modest claims to attention. So it came to pass, in the Middle Ages, there was scarcely a house of business, or a family, no matter how obscure, without its distinctive brand of publicity.

The nobles themselves found it necessary to advertise their homes by exhibiting the family arms on signboards, as these homes were quite generally used as inns for the entertainment of travelers when the family was absent, and the keepers of the regular taverns, shopmen and artisans, of all classes, were quick to imitate the nobles. So that signboards of all kinds and descriptions became one of the principal means of publicity.

In retrospect it is easy for us to understand that the dark ages could not last forever. In fact, we now wonder that the varied processes of civilization lay dormant for so many centuries. Ignorance had not come to stay; barbarians became civilized. As the poetry of Homer was a potent factor in the early Greek civilization, so was the poetry of Dante one of the first evidences of the Renaissance.

Savonarola, Wyclif, Huss, Chaucer, Luther, all protested against the darkness and degradation that surrounded them. The Reformation was at hand. The Ninety-five Treatises of Luther were made public by being nailed to the door of the church at Wittenberg; and then the greatest factor in publicity, the art of printing by movable type, was discovered by Gutenburg and

speedily developed. The slow, laborious art of the scribes quickly gave way to this new art of printing, and Gutenburg is indeed to be considered the father of our modern publicity.

During the sixteenth, seventeenth and eighteenth centuries the art of printing was wonderfully developed. Pamphlets and books multiplied by the thousandfold. Knowledge was more and more widely disseminated. Great religious, social and civic movements seemed to be awaiting the exchange of ideas by the master minds of the period. The great problems of civilization, which were in process of solution during these centuries, could probably never have been solved satisfactorily without the aid of publicity. And, on the other hand, the very solving of these problems, we can well believe, aided greatly in the development of what we may term our modern publicity.

Present Publicity.

When we come to our own times, we know, of course, that publicity has become recognized as the great, almost universal method of enlightenment. There is little left to us of the older forms of publicity; heraldry, public criers and signboards are not prominent factors in publicity in our age. They have been so overwhelmed by the tremendous volume of newspaper publicity, circulars, form letters, novelties, electric signs, street-car displays and many other agencies of publicity, that they seem to us now utterly insignificant.

The orator is still abroad in the land, but without the disseminating power of the press his views would reach such a small percentage of those he wishes to influence that the effect would not warrant the effort.

Every business, trade, society and interest now has its own peculiar medium of publicity, and the standing of an institution may be fairly well gauged by the influence and standing of its particular public organ.

Our modern life is so complex that the greatest possible amount of information is necessary to each one of us. We touch so many varied interests at so many points of contact that we must keep informed of the kaleidoscopic changes and developments, else we stumble and fall. We live in a new world each day, and we must keep up with the times. Our environment drives us along with resistless energy. Without the press, the greatest medium of publicity, we could not even approach the accumulation of knowledge necessary to live on the plane demanded by our civilization.

We cannot imagine society existing under present condi-

tions without the press, and the varied activities which fall within the scope of publicity.

For a few cents we procure almost anywhere at any time the news of the world and the product of the best brains of the world. We may wonder how the publisher can continue in business furnishing the daily paper at one cent, or the magazine at from ten to thirty-five cents. How can he afford to give so much for so little? The answer is almost obvious: the advertiser, the one seeking publicity, pays the greater part of the cost.

The development of that form of publicity which we call advertising is one of the very remarkable things in this age. Only a comparatively few years ago a thousand dollars spent in advertising would have been considered reckless, while today there are many interests expending a million dollars a year in their advertising campaigns, and the necessity for advertising from a business standpoint seems to be growing.

In 1900 the various newspapers and periodicals of this country received in the aggregate $95,861,000 for advertising alone. This does not include amounts paid for circulars, pamphlets, cards and other forms of advertising sent through the mails. It does not include billboards, and if we were to estimate the total advertising bill of this country in 1900 we should doubtless say that the expenditure represented several hundreds of millions of dollars that year.

It is a significant fact that while the population in this country has doubled about every thirty years, the aggregate circulation of newspapers and periodicals has doubled every ten years for the past half-century. The result is, to put it in other language, that while the population is three times as large as it was fifty years ago, the circulation of newspapers and magazines is nineteen times as great as it was then. Circulation has increased six times as fast as population.

In 1880 the amount received by publishers for subscriptions was in excess of the amount received from advertisers. In 1890 the two amounts were just about equal. In 1900 receipts from advertising had outstripped those from subscriptions. In that year, for every dollar received by the publishers for advertising, only eighty-three cents were received from subscribers and sales. In 1880, for every dollar received from the advertiser, $1.27 was received in subscriptions.

Printer's Ink estimates the amount expended at the present time, through different advertising channels, as follows:

Newspaper advertising	$250,000,000
Mail advertising (circulars, form letters, etc.)	100,000,000
Magazine advertising	60,000,000

Mail order advertising	75,000,000
Novelty advertising	30,000,000
Billposting	30,000,000
Electric and printed signs	25,000,000
Demonstration and sampling	18,000,000
House organs, etc.	7,000,000
Distributing	6,000,000
Theatre programs and miscellaneous	5,000,000
Total	$616,000,000

If we accept this estimate as correct, we are astounded by the fact that whereas in 1900 this country expended $95,861,000 for newspaper and periodical advertising, in 1910 the total is $310,000,000 for the same purpose.

The "Business Bourse," in Report No. 37, gives the volume of annual advertising in this country as $682,000,000, which is $7.58 per capita for the United States. The report adds: "This figure is five times higher than in any country of the world and shows a remarkable similarity to the differences in education in various sections."

Public Opinion.

But there is a kind of publicity which is so important to our Government and the business interests of our day, so much discussed in the press and from the rostrum, that even the old word has taken on a new meaning. I refer to that form of publicity which has for its object the formation and control of public opinion. This indeed is the one great purpose and end of our modern publicity.

The world to-day is ruled by public opinion. Almost without exception the governments of the world are governments by public opinion. The aggregate of private opinion gives us public opinion, which in nations finds expression in the form of government, the selection of officials and the adoption of codes of manners, morals and laws.

Of public opinion Mr. Vail has said:

"In all times, in all lands, public opinion has had control of the last word. Public opinion is but the concert of individual opinion, and is as much subject to change or to education. It is based on information and belief. If it is wrong, it is wrong because of wrong information and consequent erroneous belief. It is not only the right, but the obligation, of all individuals, or aggregation of individuals, who come before the public to see that the public have full and correct information."

Pericles, Demosthenes and other great orators of Greece ap-

pealed to the people and thus shaped the important events of the great years of Athenian supremacy. Mark Antony's address to the populace brought on the great Roman civil war. The Reformation halted until public opinion pressed it forward and established it. Public opinion demanded and secured the adoption of the Declaration of Independence in this fair city of Philadelphia and supported the long war for freedom. Public opinion in North and South brought on the Civil War; it united Italy, consolidated the German states into an empire, caused successive revolutions in France, leading to the establishment of the republic. Public opinion has more recently made an independent nation in Norway, a republic in Portugal, a new leader in Mexico, and just now is in striking evidence working on that hitherto inert mass of humanity to the end that China has a democratic form of government. Surely all these facts point to government by publicity. There is constantly the necessity for publicity; it has become an important and vital function of the State.

Not only in governmental affairs, but in business affairs, more and more must we appeal to the people, and the people must answer the appeal and assume the responsibility to a greater extent than ever before for the conduct of business.

The English and American systems of jurisprudence are founded on the inviolability of private property, and I, for one, do not for a moment believe that private property is in jeopardy, but I do feel that private property, in many instances, has become charged with public obligations and duties.

In comparatively recent times even political power was considered a private possession. The doctrine of the divine right of kings recognized no obligation of accountability to the people. We all know what happened to that doctrine; it was swept away by an irresistible flood of public opinion, and public officers now account to the people.

Our laws have always considered industry, trade, commerce, as matters of private concern. American jurisprudence has made a distinction between political and public affairs on the one hand and commercial affairs on the other hand. Until within a few years no one has seriously objected to that distinction.

But now a new doctrine is developing. Industrial conditions have changed; corporations no longer depend on local markets. The producer and consumer do not now meet in the sale and purchase of commodities. Production in many industries has developed to colossal proportions, controlled by a few giant corporations. Competition no longer regulates all branches of industry, and, therefore, the secrecy which was necessary under competitive conditions may become a social menace when indulged in

by corporations approaching monopoly. So that we must now admit that in such a state of industrialism the rights of private property are not, and cannot be, superior to public welfare. Secrecy in the relations between competitors is quite a different thing from secrecy between great corporations and the State. Public service corporations do admit these facts and principles, and welcome Federal and State commissions having almost inquisitorial powers.

Publicity and Public Opinion.

Business interests have been entirely too slow in appreciating the necessity of publicity and its influence on public opinion, and I believe the fact is responsible for much of the distrust and suspicion which has arisen in the past with respect to business affairs. Many business institutions have doubtless suffered from hostile publicity, from sensationalism. In most of such instances the fault, in my opinion, has been with the secret methods employed and the constant suspicion and danger of misrepresentation.

The crisis has been fast approaching, and it seems to me the only way to avoid disastrous consequences is to continually seek to enlighten the public by various methods of publicity. Publicity should in no case, however, be the result of fear, envy or avarice, but the honest urging of intrinsic worth and honest methods born of a real desire to serve.

Advertising must be the embodiment of truth. There was a time not far back when advertising consisted for the most part in blatant and highly colored statements. It was largely the hawking of goods in the market-places. But recently it has developed into a fine art with real moral purpose and apt expression. It is comparatively easy to secure the attention of the public by printing some great piece of news, but to further a great idea with aptness and power requires intellect and art of the highest order.

And it seems to me that the time has now come when the business interests of our country must face this proposition; their aims must be honest and true; and their aims must be made known, candidly and fully, to the public.

The relationship of corporations to social welfare in this age and generation is so intimate and so vital that the public must and will know all about the corporation, and it is a function of government which is developing at almost an alarming rate to gather the information and disseminate it to the public.

I submit that there should be no taking of sides as between

the public and the corporation, and the only way to avoid this is to turn the light of publicity on corporate affairs.

I wish to read you a quotation from the speech of an eminent orator:

"There are persons who constantly clamor. They complain of oppression, speculation and the pernicious influences of accumulated wealth. They cry out loudly against all banks and corporations and all means by which small capitals become united in order to produce important and beneficial results. They carry on mad hostility against all established institutions. They would choke the fountain of industry and dry all the streams. In a country of unbounded liberty they clamor against oppression. In a country of perfect equality they would move heaven and earth against privilege and monopoly. In a country where property is more evenly divided than anywhere else they rend the air shouting agrarian doctrines. In a country where the wages of labor are high beyond parallel they would teach the laborer that he is but an oppressed slave."

This sounds very modern; in fact, might have been delivered as describing the opinions of certain reformers in this country last week, and yet it is the expression of Daniel Webster in 1838, and the feeling which he describes so well has been growing and developing, and has resulted in many of the laws regulating business which have been put upon our statute books in recent years. If there are provisions in these laws which are detrimental to business interests, I think a full and frank publicity would have prevented such enactments.

If the people, for instance, could have been made to really understand that the huge profits of the Standard Oil Company were made possible by economical methods of manufacture, the utilization of by-products and the development of world-wide markets for such products—if they could have believed that high prices had not been responsible for these profits, and that the company was really furnishing a satisfactory article at a fair price, and that since the organization of the company the prices of its products to the consumer had really been reduced—I feel quite sure that the hue and cry against that great corporation, which culminated in its dissolution, would at least have been greatly tempered. The records show, moreover, that the objections hurled against that corporation had not to do with its size, its methods of manufacture, or even the prices which it received for its products, but rather had to do with alleged secret rebates received from railway companies, the sharp practices indulged in at the expense of competitors and on the selling side of the business.

I am so impressed with the protective value of publicity that

I make bold to say that had the railway interests of this country taken the public fully into confidence, much of the railway legislation of the past few years might have been tempered and formulated to consider with more sympathy the necessities of the great business of transportation.

There may be, there doubtless is, grave danger that this new doctrine of public control may be pushed beyond proper limits. The pendulum may swing too far in that direction. Let us hope not. Initiative must not be chased from the industrial field. Capital must not be frightened into hiding. The leaders in business will not work out the great problems of production, distribution and communication without definite hopes of reward. Too much control would soon lead to socialism or something worse. The demand for compulsory publication may be also an unreasonable, dangerous demand. The secrecy of the past may have developed suspicions which are unfounded and which may result in unjust measures, and right now, at this present time, it seems to me we have an example of just what I mean.

The financial institutions of the country today find themselves in a very embarrassing position. Under the guise of collecting information relative to pending legislation, a committee of the House of Representatives last week sent to all national and state banks and trust companies a series of questions which, in my humble opinion, the officials of those institutions will hesitate to answer. The inquiries take the form of eight schedules and a balance sheet and include the following searching queries:

1. A list of all securities owned.

2. Securities owned which were purchased from any officer or stockholder, or interest connected in any way with the bank.

3. Loans to any financial institution or individual, secured in whole or in part by stocks of financial institutions.

4. All syndicate and underwriting operations for five years back, including the amount of the issue, the price paid, the marketing price to the public and the profit to the bank.

5. All amounts due to banks and due from banks.

6. Miscellaneous resources and liabilities.

7. List of officers, directors and stockholders, their stock holdings and loans.

8. Statement as to joint occupancy of premises and details of all holdings in affiliated financial institutions.

It is evident that the answers to these questions would reveal the basis of credits and the intimate relations of these institutions, not only with their officers and stockholders, but also with their patrons. Many properly confidential personal affairs

would thus be revealed and the results might be far-reaching and disastrous.

Certainly no proposed legislation in the past has necessitated any such inquisitorial methods. Thousands of protests are pouring in to the committee. National banks, state banks, trust companies and individuals naturally hesitate to make public their private financial arrangements, and the protests are assuming the proportion of public opinion, so that it has already been intimated that some of the most objectionable questions will be recalled.

The National Banking Act provides for all necessary investigation and control. Only the Comptroller of the Currency and the courts are given visitorial powers, and it seems to be the consensus of opinion that no other government agency should be given such powers.

In June, 1910, Congress authorized the President to appoint a commission to investigate questions pertaining to the issuance of stocks and bonds by railroad corporations. On November 1, 1911, the Comission reported. Their report is more or less argumentative and raises questions of policy and expedience, which it does not fully answer, but the report closes with this significant language:

"Upon the whole your Commission believes that accurate knowledge of the facts concerning the issuance of securities and the expenditure of their proceeds is the matter of most importance. It is the one thing on which the Federal Government can effectually insist to-day; it is the fundamental thing which must serve as a basis for whatever additional legislation may be desirable in the future."

In 1899 a conference on trusts was held in Chicago which embraced all interests, from all parts of the country. There were as many opinions in regard to trusts and their control as there were persons in attendance at the convention, but on one point there was no diversity of opinion; the point was that the corporations should be placed under obligation to expose fully and frankly their operating methods and accounts.

In speaking of accounts I am reminded of the fact that my able associate, Mr. Devereaux, has been a good deal worried for fear I would fail to give accounting its legitimate prominence in the realm of publicity. Now, as nearly as I can find out, Mr. Devereaux is responsible for the nap you are having here this evening, and for making me your somniferous goat. So we must give some heed to his importunities. As a matter of fact, he came to my office the other day when I was in the throes of composition and offered to prepare this address for me, but he is such a stickler for publicity himself that I did not dare to risk it.

Accounting Supervision.

In my opinion there can be no intelligent publicity of corporate affairs without adequate supervision of accounting. It is not sufficient that accounting officers be honest and capable, they must also be directed. The basis of scientific accounting is correct classification; there must be a uniform rule in classification and also in the titles of accounts. Otherwise, with the best of intention, a current expense may become an investment and net earnings unduly increased. Or, a permanent improvement may be charged as a current expense, thus increasing apparent cost of production. There often arise very close questions as to such classifications, hence the necessity for direction and uniformity if the public is to know the true condition of a corporation.

Furthermore, unless there is absolutely uniformity in the classification of charges, no just comparison between different corporations can be made. Some writers on corporate publicity go so far as to advocate that accounting officers of supervised corporations should be made public officials. This seems an extreme suggestion, but unless there is some authority to generally supervise and the right of visitation and examination, there can never be any intelligent publicity as to the real condition of business as revealed by accounts.

Mr. C. R. Wooldridge, of Chicago, has stated that $150,000,000 are lost each year by fraudulent uses of the agencies of publicity by get-rich-quick investment schemes. Could this be so if uniform accounting were properly established and insisted upon?

The United States Steel Corporation set a remarkable precedent in proper publicity through accounting, with the result that its securities are most widely distributed.

And now I am going to quote Mr. Devereaux:

"A cogent reason why accounting is recognized more and more as an important factor in the conduct of the world's work is that it is commonly accepted nowadays that there is no more promising method by which commercial and financial and industrial affairs in general shall be regulated than through the element of publicity.

"It follows that where publicity is attempted, and where publicity is made effective, such publicity must be based upon accurate data, that data must be clearly presented and compiled, and there must be somebody to whom the public may look for the confirmation of the accuracy of data."

A few years ago I spent many months in trying to get a franchise for a street railway system in one of our Western

cities. The parent company had been organized in 1866; it had never paid out one dollar in dividends. There was absolutely no water in its securities. It had never made any money on the investment, but the policy of the operating officials had been one of secrecy; and when we changed that policy and tried to convince the public and the city officials of the real facts in the case, we found them absolutely incredulous to all our statements. We could not get a franchise, and I doubt if a suitable franchise could ever be procured in that city. The public had supposed for so many years that the company was making large amounts of money that it could not be made to believe the absolute truth.

If a few salient facts could be brought home to the minds of the people in this country, I am convinced there would be a vast amount of surprise. If the public could know the exact honest investment of the so-called trusts, and the ratio of net earnings to that investment, I feel certain that most of the prejudice which now exists would be removed.

Many of you by this time are doubtless thinking, What has all this to do with the telephone business? Has he forgotten that he is addressing a telephone society? Well, in closing, I do wish to call your attention to a few points relative to publicity and the business in which we are all so vitally interested.

There is nothing more important to a telephone company than to stand well with the community it serves, and the best, the only way to gain the good will of the public is through the various agencies of publicity. There are no secrets in our business; the annual reports of Mr. Vail have kept nothing back. Investigation could reveal nothing beyond what he has voluntarily published. He has sought to let the public know just what our business means when viewed as a whole, what purposes it seeks to realize, what prospect for adding to human comfort, convenience and happiness it holds out; he has become imbued with the spirit of the times, which forces these questions upon us irresistibly. We must all heed this new culture, the new ideas of this period. We must square our endeavors with the ideals which have been evolved during the last few decades.

Our Position.

No other business has any such public to serve. We have over six and one-half millions of stations in our system. Over twenty-four millions of connections were put up each day aggregating 7,770,000,000 connections for the year of 1911. No other industry on earth can even approximate such a number of contacts with the public. Just think for a moment of the impulses to good-nature and politeness that the Bell System can create each day!

We have greater need of publicity than any other interest because we are asking more of the public than any other interest has any right to ask. We are asking to be placed in a unique position in relation to the public. We are advocating universal service through our own system. We are claiming that the Bell System is best organized and equipped to furnish such universal service. We claim that right, that privilege, because, considering the capital invested, our experience, our ability and our desire to serve, no other interest could approach the necessities of universal service. That is asking a great deal of the public. There is but one way to get what we ask, and that is to deserve it, and then let the public know that we deserve it.

How can we convince the public of our right to serve it universally? You would all answer that question instantly, and say correctly, By giving the best possible service. That is true, of course, but it is not all the truth. We must do something more—we must so serve the public that it will prefer our universal service to any form of divided or competitive service. We have said that the press is the greatest agency of publicity. That is not exactly true, so far as the telephone business is concerned. We reach many more people in our daily service than any paper reaches. Our circulation is country-wide; our responsibility is correspondingly great. The individual patron is the unit upon which to work. Mutual co-operation is the keynote in the relations between the patron and the telephone company; they must get together.

This is not the work of the Commercial Department exclusively. If the other departments of the business ignore the great duty of continually advertising—if you will—the spirit and policies of the Company, the Commercial Department might just as well give up and go home. Publicity, in its broad application to the telephone business, is the particular personal function of every official and every employee of every department, in every company, every day. There is no specialization which excludes the duty of publicity. I have no quarrel with specialization; growth, efficiency and economy in any direction seem to require the gathering together of related detail. But I do feel like quarreling when the specialist seeks to take his work and consider it as separate from all other work. The operator at the board, the wire chief at his desk, the troubleman, the right-of-way agent, the construction gang, the auditor, the general officers, all have the same duty and interest in persuading the public that the Company is living up to its opportunities and responsibilities.

I believe we have a wonderfully strong proposition to make known to the public. Our financial return from each subscriber is really very small. Surely one of the smallest items of fixed expense in any business or home is the telephone bill. Do we not often overestimate the importance of the whole telephone situation as viewed from the standpoint of the subscriber? It seems to me we sometimes set up bogies in our minds which do not really exist in the minds of our patrons. It is true the fault-finder and agitator is always with us and must be placated when possible. But his sentiments seldom reflect general public opinion.

The combined surplus of all the Companies comprising the Bell System aggregates considerably over $100,000,000, which is not capitalized in any form, and which is invested in physical plant and devoted to the service of the public. On this we pay no dividends or other returns. Mr. Vail has said that our shareholders need expect nothing beyond a reasonable dividend on their shares. The returns to the shareholders of the Associated Companies in each instance is only a reasonable return, and at rates which few business men would consider adequate in their private business. The public should be assured of this most reasonable policy of return on investment.

Where there is serious trouble in this business, it is where one or many have failed in their published attitude to the public, and every attitude toward the public and the patron in the telephone business is published over and over again.

William Penn says, in "Some Fruits of Solitude": "The Publick must and will be served; and they that do it well deserve publick marks of honor and profit."

My message to each of you tonight is to use your best endeavors to the end that the public may know that your Company serves well.

This great business can continue to be ever increasingly great if the idea of the public as to the value of its service increases proportionately.

We shall not be feared if we are known to be honest and above all forms of graft and secret conniving. We must convince the public that we are not too big, that our size is necessary to its protection, not a menace to its rights. We must be above all forms of graft and political trickery, and then we shall finally be known as we deserve.

We cannot stop growing; our civilization needs us; we have a great part to play in the development of creative activity. Each year opens up an ever-broadening vista; the problems are increasingly difficult; the stream flows ever swifter, stronger, deeper; we must play our part worthily and convince the public of that fact.

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